

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

January 16, 2017

The Board of Directors (the "Board") of Brazoria County Municipal Utility District No. 21 (the "District") met in regular session, open to the public, on the 16th day of January, 2017, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Delores Jenkins	President
Karla Bell-Thomas	Vice President
Fatiyauh Jones	Assistant Vice President
Ashley Taylor	Secretary
Rena Medlock	Assistant Secretary

and all of the above were present, except Director Taylor, thus constituting a quorum.

Also present at the meeting were Noel Dsouza, Julie Scheers, and John Cacolice, residents of the District; Brian Hakey of S.E.A.L. Security Solutions, LLC ("S.E.A.L."); Bill Ehler and Kane Mudd of LJA Engineering, Inc. ("LJA"); Ethan Springer of Friendswood Development Company ("FDC"); Joe Hallmark a website consultant; Allen DeJonge of Off Cinco; Matthew Dustin of RBC Capital Markets ("RBC"); Lori Buckner of Myrtle Cruz, Inc.; Breah Campbell of Environmental Development Partners, LLC ("EDP"); Rhonda Patterson of Assessments of the Southwest, Inc. ("ASW"); and Katie Carner, and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no public comments.

QUARTERLY REPORT FROM BEST TRASH

Mr. May generally reported on garbage and recycling collection in the District.

Discussion ensued regarding the March 2017. Director Bell-Thomas moved to authorize Best Trash to solicit 3 bids for the shredding event at the clubhouse parking lot, on March 4, 2017 from 9:00am to 12:00pm and authorize ABHR to solicit a proposal for one deputy from the Brazoria County Constable's Office Precinct 3 for security detail during the shredding event. Director Jones seconded the motion, which carried by unanimous vote.

CONSENT AGENDA

Director Jenkins offered Board members an opportunity to remove items from the consent agenda for individual discussion. She requested that item 2.d. be removed from the consent agenda. Director Medlock then moved to approve all remaining items on the consent agenda, and to direct that, where appropriate, items are filed and retained in the District's official records, including the following: (1) the minutes from the December 19, 2016, regular Board meeting; (2) bookkeeper's report; and (3) the tax accessor's report. Director Bell-Thomas seconded the motion, which carried by unanimous vote. Copies of all reports approved as part of the consent agenda are attached.

ITEMS REMOVED FROM CONSENT AGENDA

DEVELOPERS REPORT

Mr. Springer reported on development in the District.

In response to questions from the Board, Ms. Carner discussed the Development Financing Agreement for Recreational Facilities ("the Agreement") with the District.

Mr. Springer discussed pending reimbursements for District recreational facilities financed by the developer, including the amenity portion of certain District detention facilities and landscaping improvements. Mr. Springer requested authorization for LJA to begin preparing a park bond application for an amount to not exceed \$3.4 million.

After discussion, the Board concurred to defer action on the request to authorize preparation of a park bond application to the next meeting.

REVIEW LIST OF GOVERNMENT OFFICIALS PURSUANT TO CHAPTER 176 OF THE LOCAL GOVERNMENT CODE

Ms. Carner stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers and update the List annually. Ms. Carner reviewed the List of Local Government Officers. After review and discussion, Director Jones moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Medlock seconded the motion, which carried by unanimous vote.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Carner reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

SECURITY SERVICES, INCLUDING PROPOSALS FOR SUPPLEMENTAL LAW ENFORCEMENT AND SECURITY SERVICES

Mr. Hakey reviewed a report from S.E.A.L., a copy of which is attached. Director Jenkins commended officer Luckemann on a thorough job while on duty. After discussion, the Board concurred to accept the report.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING ADDITIONAL CHECKS AND ACCEPTANCE OF DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

Ms. Buckner reported on additional checks not included on the report distributed. She reported two additional checks: Check no. 6110 to Lakes of Savannah for a water bill overpayment in the amount of \$4,333.73, and check no. 6109 to Director Jones for a meeting with the operator in the amount of \$138.52. Director Jones moved to approve the two additional checks. Director Jenkins seconded the motion, which carried by unanimous vote.

Ms. Carner reviewed the annual disclosure statements required by the Public Funds Investment Act from the District's Investment Officer and bookkeeper. Ms. Carner explained that the statement discloses relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District. She also explained that the statements would be filed in the District's official records and with the Texas Ethics Commission. Following discussion, Director Jones moved to accept the disclosure statements and authorize filing of the disclosure statements with the Texas Ethics Commission. Director Jenkins seconded the motion, which carried by unanimous vote.

DEVELOPMENT OF DISTRICT WEBSITE

Mr. DeJonge left the meeting.

Mr. Hallmark presented and discussed the website proposal for services he provides, a copy of which is attached. Discussion ensued. Mr. Hallmark left the meeting.

Mr. DeJonge entered the meeting and presented and discussed the website proposal from Off Cinco, a copy of which is attached. Discussion ensued. Mr. DeJonge left the meeting.

Discussion ensued regarding the website proposals, including the costs for monthly options, start up fees, and maintenance fees. Director Bell-Thomas then moved to (1) approve the proposal from Off Cinco for the standard website layout with option 1 for monthly maintenance, and adding the email option for a separate monthly fee, and (2) designate Director Jones as the District website liaison. Director Jones seconded the motion, which carried by unanimous vote.

DISCUSS RESOLUTION ADOPTING WEBSITE POSTING POLICY

Ms. Carner presented and reviewed a draft Resolution Adopting Website Posting Policy. The Board concurred to defer action on the Resolution to the next meeting.

ENGINEER'S REPORT

Mr. Ehler distributed the engineer's report, a copy of which is attached.

AUTHORIZE ADVERTISEMENT FOR BIDS FOR THE WASTEWATER TREATMENT PLANT ("WWTP") EXPANSION

Mr. Ehler stated that LJA has completed the plans and specifications for the expansion of the WWTP from .50 mgd to .75 mgd. He stated LJA has received approval from all agencies. Mr. Ehler stated he will request authorization to advertise for bids once the demand on the system warrants the expansion.

AUTHORIZE ADVERTISEMENT FOR BIDS FOR IMPROVEMENTS FOR WWTP ACCESS ROAD

Mr. Ehler stated LJA has submitted plans and specifications for the concrete access road to the WWTP to all government agencies. He stated LJA is responding to comments from the City of Pearland.

WATER PLANT HYDRO-PNEUMATIC AND GROUND STORAGE REHABILITATION

Mr. Ehler requested approval for the plans and specifications and authorization to advertise for bids for the water plant rehabilitation project, including painting the water plant control pump building.

REPAIR OF DETENTION POND EROSION AT LAKES 2 AND 3

Mr. Ehler stated LJA is preparing plans and specification for repair of the side slopes on lake 2 and 3, including a bulkhead around the parameter of the lakes.

PAY ESTIMATES, CHANGE ORDERS FOR THE REVERSE OSMOSIS EQUIPMENT

Mr. Ehler stated that Wigen Water Technologies ("WWT") is the equipment supplier for the reverse osmosis project. Mr. Ehler stated the reverse osmosis system equipment is expected to be delivered in March of 2017.

PAY ESTIMATES, CHANGE ORDERS FOR THE GENERATOR FOR REMOTE WATER WELL

Mr. Ehler stated the contractor for this project is McDonald Municipal & Industrial. He stated the contractor has begun construction.

PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE FOR WATER PLANT EXPANSION

Mr. Ehler stated the contractor for this project is Bussel & Sons, LLC. and includes the construction of a ground storage tank, new booster pump, hydro-tank and associated equipment. He stated the notice to proceed was issued on December 20, 2016 and the final completion date is scheduled for June 18, 2017.

Mr. Ehler reviewed and recommended approval of a proposal from Terracon in the amount of \$6,445 for materials testing.

PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE FOR THE CONSTRUCTION OF THE REVERSE OSMOSIS SYSTEM

Mr. Ehler stated the contractor for this project is JTR Constructors. He stated the notice to proceed was issued on December 20, 2016 and the final completion date is scheduled for June 18, 2017.

Mr. Ehler reviewed and recommended approval of a proposal from Terracon in the amount of \$13,892 for materials testing.

Following review and discussion, Director Jones moved to (1) approve the engineer's report; (2) approve plans and specifications and advertisement for bids for the water plant rehabilitation project; (3) approve the Terracon proposal for material testing for the water plant expansion project in the amount of \$6,445.00; and (4) approve the Terracon proposal for material testing for the construction of the reverse osmosis system, in the amount of \$13,892.00. Director Jenkins seconded the motion, which carried by unanimous vote.

DISCUSS POSSIBLE INTERCONNECT WITH BRAZORIA COUNTY MUNICIPAL DISTRICT NO. 29 ("BC MUD 29")

Mr. Ehler stated that an adequate pressure flow test on the BC MUD 29 water system lines has not yet been completed.

DEEDS, EASEMENTS, AND PHASE I ENVIRONMENTAL ASSESSMENT PROPOSAL

The Board did not have any deeds and easements at this time.

UTILITY COMMITMENT REQUESTS

The Board did not have any utility commitment requests at this time.

OPERATION OF DISTRICT FACILITIES

Ms. Campbell reviewed the operator's report for the month of December, a copy of which is attached. Ms. Campbell said that the ratio of water billed versus water

produced for December was 109.0%. She stated EDP is investigating a possible master meter over-registering.

Ms. Campbell reported on repairs and maintenance at the WWTP and the water plant.

Ms. Campbell reported on water quality monitoring tests.

Ms. Campbell gave an update on EDP's attempts to locate the main distribution line for the non-potable water system. She stated EDP was unable to locate the line and had to excavate and cut into the water line to televise the line. She stated EDP will report on findings once the televising is complete.

Ms. Campbell reported the installation of the float switch on digester no. 1 and the installation of the gravity bypass pipe on digester no. 2 are in process.

Ms. Campbell requested authorization to remove the variable frequency drives and install starters within the control panel at lift station no. 2 for an estimated cost of \$3,780.00 plus an estimated cost of \$800.00 for EDP time and materials. She stated this repair is expected to help lessen debris clogs.

Ms. Campbell reviewed a request for a utility bill adjustment, a copy of which is included in the operators report for a leak was located in the resident's private water line, which was repaired within a day. Discussion ensued regarding the leak.

Ms. Campbell recommended that the District offer an adjustment of \$105.75 on the sewer portion of the resident's bill consistent with the District's policy for such requests.

Ms. Campbell requested that the Board approve the current write off list containing 20 accounts, totaling \$3,093.57 deemed uncollectable, a copy of which is attached to the operator's report and to submit same to a collections agency.

Director Jenkins reported that the Lakes of Savannah South Community Association (the "HOA") had been paying the natural gas bills for the fire station, and that when the HOA management company changed, the bills had been missed, resulting in delinquent fees and penalties associated with termination and reconnection of the account. She presented and requested that the Board consider reimbursing the HOA for the previous 12 months' natural gas bills, consistent with the District and Brazoria County MUD No. 22's responsibility to pay for the fire station operation costs. She also requested that the Board authorize EDP to transfer the account into the District's name. Discussion ensued regarding responsibility for delinquent fees and penalties. Director Medlock moved to (1) authorize reimbursement to the HOA for the previous 12 months' utility bills, not including any fees or charges related to the delinquency in payment, and (2) authorize EDP to transfer the natural gas account into

the District's name. Director Bell-Thomas seconded the motion, which carried by unanimous vote.

After discussion, Director Jones then moved to (1) approve the operator's report; (2) authorize EDP to remove the variable frequency drives and install starters within the control panel at lift station no. 2 for an estimated cost of \$3,780.00 plus an estimated cost of \$800.00 for EDP time and materials; (3) approve an adjustment to the sewer portion of the utility bill for the resident at 5712 Montclair Lane in the amount of \$105.75; and (4) approve the current write off list of 20 accounts from April of 2016 through September 2016, totaling \$3,093.57. Director Medlock seconded the motion, which carried by unanimous vote.

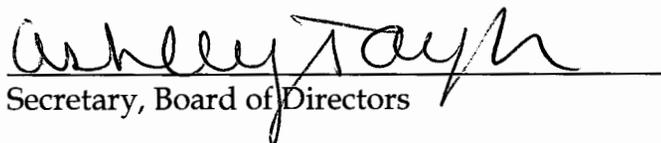
TERMINATION OF WATER AND SEWER SERVICE

Ms. Campbell presented a list of delinquent utility service accounts. She advised the Board that all of the accounts on the list had been given written notification, in accordance with the District's Rate Order, of the opportunity to appear before the District's Board of Directors, either in person or in writing, to explain, contest, or correct their bills and to show why utility service should not be terminated for reason of nonpayment. Ms. Campbell noted that the accounts in question had neither contacted her office nor had appeared at the Board meeting concerning their bills. Following discussion, Director Jones moved to authorize termination of utility service to said accounts and direct that the list of delinquent utility services accounts be filed appropriately and retained in the District's official records. Director Medlock seconded the motion, which carried by unanimous vote.

STORM WATER MANAGEMENT

The Board did not receive a report on this matter.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.


Secretary, Board of Directors

(SEAL)



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